GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3458
ANSWERED ON:15.12.2006
FISCAL POSITION OF THE COUNTRY
Kaushal Shri Raghuvir Singh

Will the Minister of FINANCE be pleased to state:

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(a) whether the fiscal position of the country has improved with the enforcement of the FRBM Act;

(b) if so, the details thereof;

(c) comparative details in this respect;

(d) whether the Government is making any other efforts in this direction; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a) to (e) Yes, Sir.While the Fiscal deficit has declined from 6.2% of Gross Domestic Product (GDP) in 2001-02 to 4.1% of GDP in 2005-06, the Revenue deficit as a percentage of GDP stands reduced from 4.4% to 2.7% in the same period.The Fiscal and Revenue Deficit targets set for the BE 2006-07 is 3.8% and 2.1% of GDP, respectively.

The Government`s efforts to achieve fiscal consolidation are directed towards pursuing a rational and stable tax policy to improve revenues while at the same time, achieving better expenditure management.Measures to increase tax compliance, improve efficiency in tax administration,introduction of `Outcome Budgets`, monitoring of utilization certificates/ unspent balances against budgetary allocations, and introduction of cash management system in some high spending ministries are some examples of continuing efforts in this direction.